

Village of Almont
Housing Analysis and Recommendations
July 2012

Introduction

In light of the recent revision of the Village's Master Plan, it is appropriate for an analysis of the Village's housing characteristics should be compiled for review. It is the intention of this analysis to provide information to the Village regarding Almont's current housing situation. Demographic information will be provided to demonstrate the population characteristics of Almont's residents as well as data that relates to the Village's housing stock.

Part 1: Population and Housing Demand

Size of the Population

In general, Almont's population has been in decline. Between the years of 2000 and 2010, Almont's population reduced -4.6%. This decline has not been the same across all age groups. Some age groups have experienced sharp losses, yet others have seen significant gains as shown in Table 1.

It is apparent from Table 1 that although the population of young families with children has been decreasing, the number of residents aged 50 and older has been increasing. One would expect a decline in the size of Almont's households due to having an older population who often have adult children living independently.

Table 1: Population Changes by Age

	2010	2000	% Change by Age Group	% Change 2000-2010 Cohort	Cohort Retention Ratio
Total population	2674	2803	-4.6%		
Under 5 years	163	213	-23.5%		
5 to 9 years	196	265	-26.0%		
10 to 14 years	206	244	-15.6%	-33.2%	67
15 to 19 years	237	190	24.7%	3.2%	103
20 to 24 years	135	133	1.5%	54.9%	155
25 to 29 years	155	212	-26.9%	11.8%	112
30 to 34 years	177	228	-22.4%	-40.8%	59
35 to 39 years	182	253	-28.1%	-38.7%	61
40 to 44 years	206	253	-18.6%	-30.0%	70
45 to 49 years	221	193	14.5%	-5.7%	94
50 to 54 years	218	141	54.6%	46.1%	146
55 to 59 years	149	124	20.2%	78.2%	178
60 to 64 years	123	95	29.5%	129.5%	229
65 to 69 years	105	70	50.0%	112.9%	213
70 to 74 years	67	62	8.1%	98.4%	198
75 to 79 years	47	57	-17.5%	84.2%	184
80 to 84 years	42	38	10.5%	76.3%	176
85 years and over	45	32	40.6%	46.9%	147

Source: The US Census 2010 Table DP-1 and Census 2000 Table QT-P1

Household Size

Populations frequently decrease more quickly and more significantly than the number of households. As the population decreases, households tend to become smaller and spread themselves among the housing stock. This proves true for the Village. In the year 2000 there were 1022 households living in Almont and in 2010 that number actually increased to 1030 households despite the loss of total population. As previously mentioned, the age of the population is a significant factor for the decrease of the number of people living in a household. Between 2000 and 2010, the size of Almont's households has decreased by -4.8%.

Race and Ethnicity

The racial and ethnic makeup of the Village has been changing over the past decade. There has been some increase in the number of people who identify themselves as Hispanic or Latino.

Table 2: Ethnicity

	2010	%	2000	%
Total population	2674	100	2803	100
Hispanic or Latino (of any race)	198	7.4	116	4.1
Not Hispanic or Latino	2476	92.6	2687	95.9

Source: US Census Table DP-1

The change in the racial makeup of the Village is mixed. Some racial groups have seen an increase yet others have decreased. There has not been a significant enough change in either the racial demographics or citizenship status of Almont's residents to determine if immigration plays a factor in housing provisions as shown in Table 3.

Table 3: Race and Citizenship

	2010	2000	% Change
Total population	2674	2803	-4.6%
One race	2644	2777	-4.8%
White	2489	2678	-7.1%
Black or African American	9	9	0.0%
Amer Indian or Alaskan Native	9	15	-40.0%
Asian	6	10	-40.0%
Some Other Race	131	65	101.5%
Two or More Races	30	26	15.4%
Foreign-born population	85	82	3.7%
Naturalized U.S. citizen	35	42	-16.7%
Not a U.S. citizen	50	40	25.0%

Source: US Census 2000 and 2010 tables DP-02, QT-P4, and DP-1

Tenure

In the year 2000, 96.6% of housing units in Almont were occupied, but in 2010 that number dropped to 92.3%. This is a significant percentage increase in the number of vacant units as shown in Table 4. Homeownership rates also decreased over the past decade. In 2000 the rate was 85.1% but in 2010 the rate was only 75.7%. As a natural result, the number of renters living in Almont has grown. Renters increased from 11.5% to 16.6%, however this rate is still significantly less than the national average of 35%.

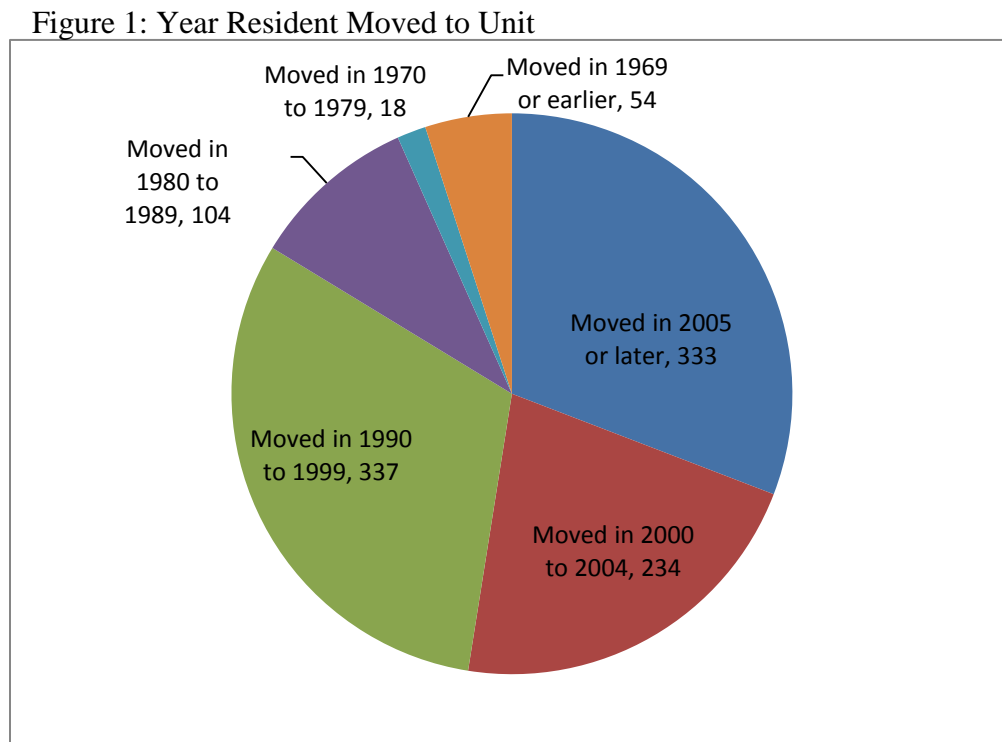
Table 4: Tenure and Occupancy

	2010	2000	% Change
Total housing units	1116	1058	5.5%
Occupied housing units	1030	1022	0.8%
Owner occupied	845	900	-6.1%
Owned with mortgage or loan	558		
Owned free and clear	287		
Renter occupied	185	122	51.6%
Vacant housing units	86	36	138.9%

Source: US Census 2000 and 2010 Tables QT-H1 and QT-H14

Residency & Household Composition

Although many Almont residents have lived in the Village all their lives, others are relatively new to Almont. Figure 1 demonstrates when households moved into their current housing unit by year.



Almont's residents live in a variety of housing models from apartments to single family dwellings. Most homes are well suited to house the average household size of 2.6 people. Table 5 shows the number of housing units in the Village which have varying numbers of bedrooms.

Table 5: Bedrooms

	# Units	% Units
No bedroom	0	0.0%
1 bedroom	114	10.1%
2 bedrooms	275	24.3%
3 bedrooms	529	46.7%
4 bedrooms	166	14.7%
5+ bedrooms	49	4.3%

Source: US Census Bureau ACS 5 year est Table DP-04

The number of households with children has decreased somewhat over the past decade. Most of this is due to the loss of young families, however the number of families with teenage children appears to have risen. The number of married couples has decreased by 13%, yet the number of female headed households has also decreased as shown in Table 6. More households now have members over the age of 65 living with them. This could mean that investing in housing nearer the center of town where residents who can no longer drive can still walk to complete daily errands and exercise may be advisable.

Table 6: Tenure

	2010		2000	
Age of Householder				
under 65 owner	661	64.1%	735	71.9%
under 65 renter	158	15.3%	104	10.2%
65+ owner	184	17.9%	165	16.1%
65+ renter	29	2.8%	18	1.8%
Family Composition				
Family Households	728	70.7%	747	73.1%
Married	521	50.5%	599	58.6%
Female Headed*	88	8.5%	112	11.0%
Non Family Households	302	29.3%	275	26.9%
Living Alone	267	25.9%	235	23.0%
Households with individuals under 18 yrs	384	37.30%	431	42.2%
Households with individuals 65+ yrs	228	22.10%	201	19.7%
Avg Household size	2.6		2.73	
Avg Family size	3.1		3.24	

*no husband present with children under 18

Source: US Census 2010 and 2000 Table DP-1

Income and Spending

The percentage of the population which is a part of the labor force has remained fairly constant over the years as shown in Table 7. The recent recession, however has taken a toll on the number of people in the workforce who are able to be employed. This is clearly a significant factor in Almont residents' ability to afford housing. The median household income in 1999 was \$70,657 (adjusted for inflation to 2010 dollars). By 2010, that number dropped -31.8% to \$48,214.

Table 7: Employment

	2010	%	2000	%
Population 16 yrs +	2047		2039	
In labor force	1419	69.3%	1435	70.4%
Employed	1217	59.5%	1398	68.6%
Unemployed	202	9.9%	37	1.8%
Not in labor force	628	30.7%	604	29.6%

Source: US Census ACS 5 yr Estimates Table DP-03 and Census 2000 Table DP-3

Although precise figures for housing costs are difficult to determine in Almont due to the small sample size, the US Census Bureau estimates that roughly 40% of home owners with a mortgage pay above 30% of their incomes on housing costs. In turn, over half of all renters pay more than 30% of their incomes on housing. Table 8 compares home affordability rates in Almont to that of other locations for evaluation.

Table 8: Housing Affordability

	SMOCAPI above 30% (Homeowners)	GRAPI above 30% (Renters)
Almont	40.4%	52.4%
Lapeer County	37.4%	53.2%
Michigan	35.9%	54.0%
United States	37.6%	50.8%

Source: US Census ACS 5 year Estimates Table DP04

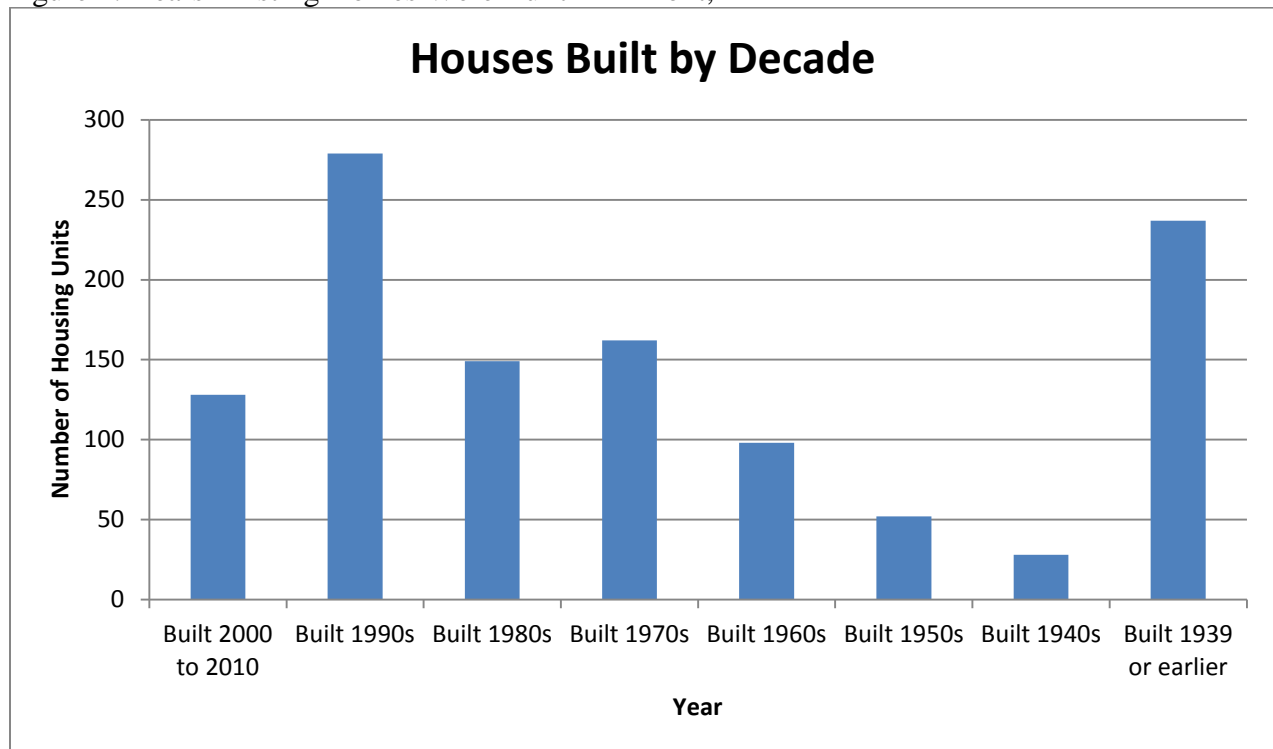
*Note: SMOCAPI is Selected Monthly Owner Costs as a Percentage of income. GRAPI is Gross Rent as a Percentage of Income.

Part 2: Housing Supply

Housing Stock

Now that the nature of Almont's housing demand has been evaluated, an analysis of the Village's housing supply can be examined. Almont has a variety of housing models including mobile homes, apartments, condominiums, and single family homes. A chart depicting the number of existing housing units built each decade shows how Almont has grown over the years.

Figure 2: Years Existing Homes Were Built in Almont, MI



Source: US Census ACS 5 Year Estimates Table DP-04

As Figure 2 indicates, many existing homes are either very old or relatively new. Not as many houses were built between the 1940s and the 1960s; at least that are still in existence today. The historic nature of many homes in the Village is a desirable quality for many seeking homeownership. The more recent construction of the 1990s demonstrates the quick growth Almont was experiencing at that time. This growth in the housing stock has tapered off as economic changes have affected Almont's housing market.

Sales

The way that residents have selected to purchase and sell homes has changed over the past decade. Table 9 demonstrates the status of vacant housing units. Although the sales market has not been as favorable to sellers as in the 1990s, more people have chosen to put their homes up for sale rather than rent them to tenants. There are 5% fewer vacant housing units for rent and nearly 10% more of such units for sale.

Table 9: Occupancy and Costs

	2010	%	2000	%
Total housing units	1116	100%	1058	100%
Occupied housing units	1030	92.3%	1022	96.6%
Vacant housing units	86	7.7%	36	3.4%
Vacancies	86	100%	36	100%
For Rent	22	25.6%	11	30.6%
For Sale	32	37.2%	10	27.8%
Other Vacant	32	37.2%	15	41.7%
Median Gross Rent	\$593		\$673*	
Median SMOC	\$1,413		\$1,425*	

*Adjusted for inflation to 2010 dollars

Source: US Census 2000 and 2010 ACS 5 Year Estimates: Tables QT-H1, DP-4 and DP-04

Although there are fewer units for rent today than there were 10 years ago, the median cost of rental property has been reduced 11.9%. Demand for rental units has increased, however the price has gone down. Many rental units in Almont are still at higher than affordable rents as was displayed in Table 8 and as will be explored in greater detail later in this study. Selected Monthly Owner Costs (SMOC) have insignificantly changed for homeowners. Overall, the cost of homeownership has remained fairly stable.

Part 3: Matching Supply and Demand

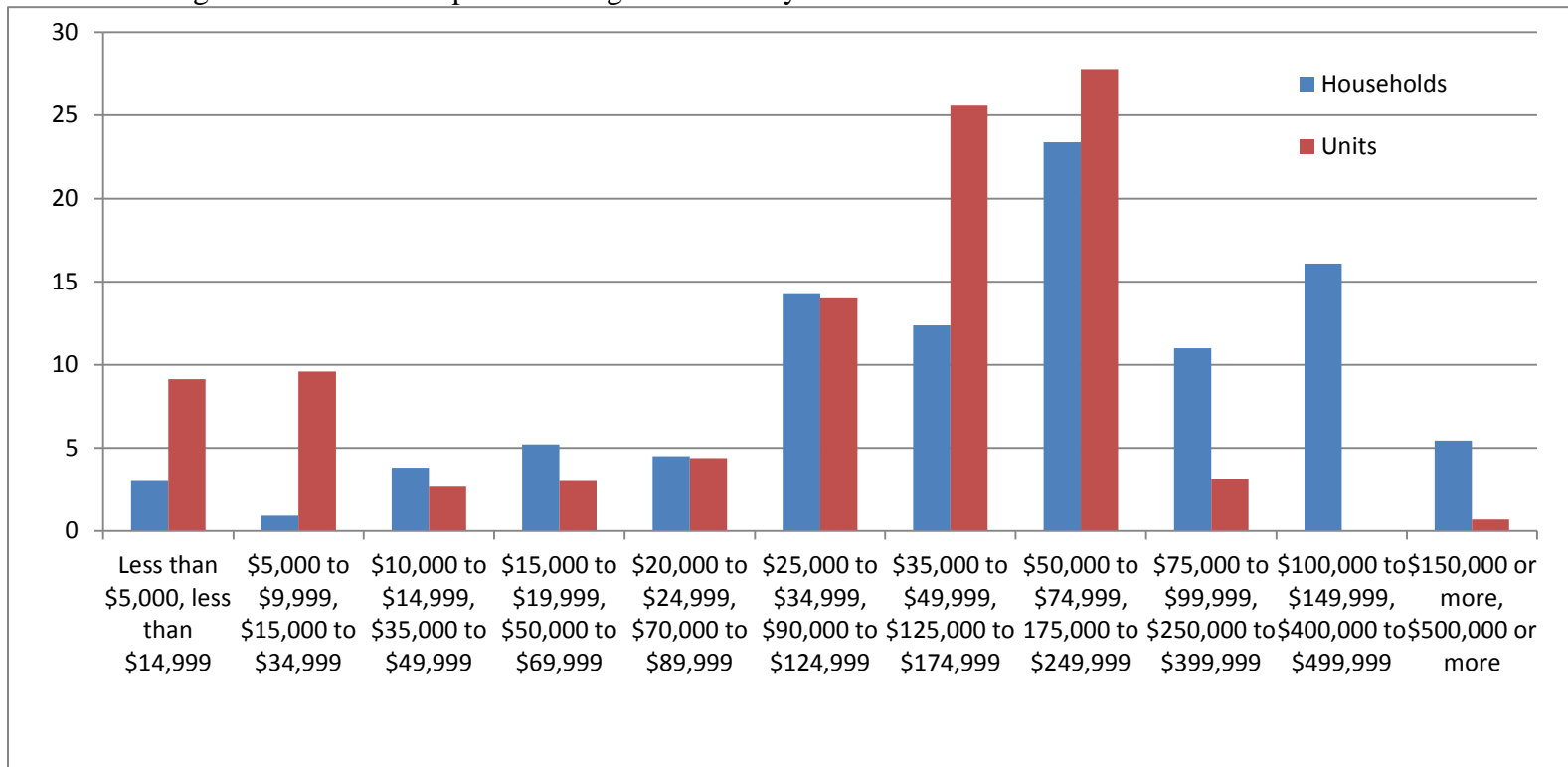
Spending on Housing

In general, the cost of housing that is considered affordable for a consumer is no greater than 30% of one's income. For the following analysis, note that a few assumptions will be made. It will be assumed that a household will not spend more than 30% of their income on housing, that homeowners cannot afford to borrow over 90% of their home's value, and that homeowners cannot afford to spend more than 28% of their incomes repaying their mortgage. Using these assumptions, it is possible to construct a picture of the general state of housing affordability in the Village based on income category.

Owner's Market

Figure 3 portrays the affordability of housing for homeowners in Almont.

Figure 3: Owner Occupied Housing Affordability 2010



Source: US Census 2010 Tables B25118 and B25075.

Figure 3 shows the matchup of households of differing incomes which can afford housing of various values. For example, look at the very first pair of red and blue columns on the leftmost side of the chart. The chart shows that roughly 3% of households (the blue line) make less than \$5000 a year. In general, these households can only afford to purchase a house that is \$14,999 or less in value. It also shows that of all the housing units in Almont, about 9% of them (the red line) are valued at \$14,999 or less. Therefore, 9% of all housing units are within the purchasing power of the poorest 3% of Almont's homeowners. There is a surplus of housing for low income households in the owner's market.

Almont's owner's market is quite balanced for those with annual incomes between \$10,000 and \$34,999 where home sales is still competitive. A shift occurs when we look at households that make \$35,000 or more. There appears to be a shortage of housing for upper income residents of Almont, however a significant portion of this can be attributed to a decrease in property values. For many people in these income brackets, their homes were worth more when they purchased

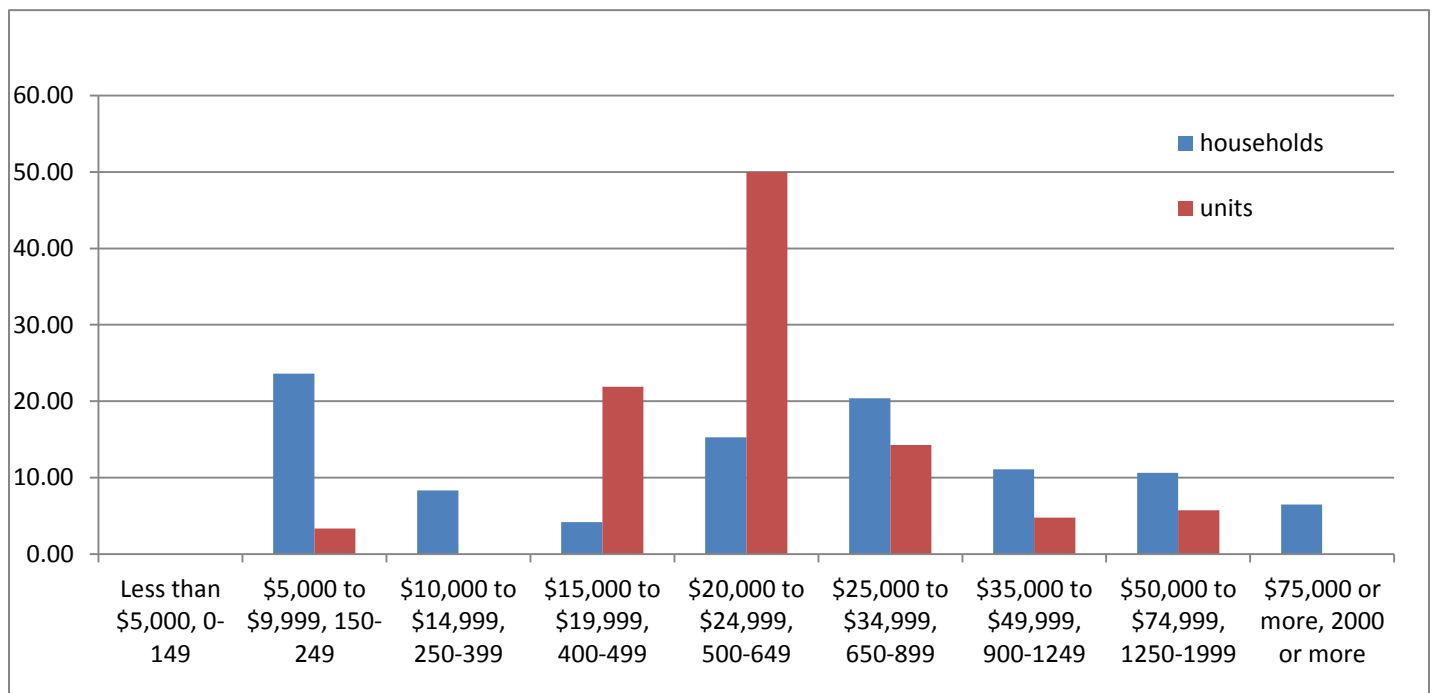
them than they are today. For instance, someone who makes \$150,000 annually may have purchased a \$400,000 home, but since that time the house's value dropped to \$325,000 yet they are still making the same mortgage payment as they did when the house had a greater value. Another explanation is that many people choose not to maximize their housing budgets. Although they could afford a more expensive home, they choose a less expensive one because maximizing their housing capacity is not important to them. This is a less frequent occurrence and only explains the housing discrepancy to a degree.

In any case, there is a great deal of competition for houses that are valued between \$175,000 and \$250,000. People who could afford a more expensive house have few options and are forced to buy a less expensive home or build a new home themselves. People who cannot afford a home more expensive than this value bracket are competing with people who have more money to offer.

Rental Market

Figure 4 shows the affordability of rental housing in the Village.

Figure 4: Renter Occupied Housing Affordability 2010



Source: US Census 2010 Tables B25118 and B25063

The rental market is generally more straightforward than the owner's market. When looking at the chart, a few things are immediately obvious. The first notable feature is the vast surplus of housing units for rent between \$500 and \$649 a month. Although roughly 15% of renters would maximize their housing budget by acquiring such housing, half of all rental units fall into this category.

A second implication of the chart is that there are very few low income housing units for rent, despite the demand. The residents with the lowest incomes in Almont must pay higher rents than they can afford. This may cause them to look for housing in other municipalities where it is more affordable to live.

There appears to be a lack of information to landlords regarding the state of Almont's rental market and what renters are looking for when they choose a housing unit to rent. More communication and information for landlords could help them to more appropriately price their housing units.

Implications

When comparing the owner's market with the renter's market, it is notable that there is a surplus of homes which low income people could afford in the owner's market and a shortage of affordable homes for low income people in the renter's market. Many people are unable to purchase a home due to past bankruptcy, foreclosure, etc. It would be beneficial to the Village for many of the homes that are for sale to instead be listed for rent. Fewer people are willing to rent today than there were 10 years ago for undetermined reasons (see Table 9). This may be a reason for the low income rental/owner disparity. Should more homes that lower income residents can afford be put on the rental market, the total number of homes on the market will be reduced. This could lead to higher property values for the remaining homes on the sales market and help stabilize Almont's housing market.